

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
PRESQUE ISLE ELECTRIC & GAS CO-OP)	
for a gas cost recovery reconciliation proceeding)	Case No. U-17695-R
for the 12-month period ended March 31, 2016 for)	
its regulated gas division.)	
_____)	

At the January 12, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On June 30, 2016, Presque Isle Electric & Gas Co-Op (Presque Isle) filed an application requesting authority to reconcile its gas cost recovery (GCR) revenues and expenses for the 12-month period ended March 31, 2016.

A prehearing conference was held on October 4, 2016 before Administrative Law Judge Mark E. Cummins. Presque Isle and the Commission Staff participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the case. According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that Presque Isle experienced an undercollection for the 12-month period ended March 31, 2016 in the amount of \$377,113.

The Commission finds that the settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Presque Isle Electric & Gas Co-op shall reflect the \$377,113 undercollection as the beginning balance of its 2016-2017 gas cost recovery reconciliation.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of January 12, 2017.

Kavita Kale, Executive Secretary

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SETTLEMENT AGREEMENT

At the October 4, 2016 prehearing conference, Administrative Law Judge Mark E. Cummins presiding, Presque Isle presented proof of service of the Notice of Hearing on all cities, incorporated villages, townships, and counties in its natural gas service area, and also presented an affidavit evidencing the requisite publication of the notice.

Only the Commission Staff ("Staff") and Presque Isle participated in the proceedings. No other parties attempted to intervene or otherwise participate. This proceeding was conducted as a contested case matter pursuant to Chapter 4 of the Administrative Procedures Act of 1969, 1969 PA 306.

Prior to and subsequent to the October 4, 2016 prehearing conference, the parties exchanged information and discussed Presque Isle's filing in this docket. As a result of those discussions, the parties agreed that Presque Isle experienced an under-collection for the period ending March 31, 2016 in the amount of \$377,113.

It is the opinion of Presque Isle and Staff that this settlement agreement will promote the public interest, will aid the expeditious conclusion of this case and will minimize the time and expense which would otherwise have to be devoted to this matter by the Commission and the parties. This settlement agreement is for the purpose of final resolution of this case and all provisions of same are dependent upon all other provisions contained herein.

This settlement agreement is submitted pursuant to section 78 of the Administrative Procedures Act of 1969, 1969 PA 306, (MCL 24.278). By this settlement agreement, Presque Isle and Staff hereby agree and stipulate as follows:

1. Presque Isle's proposed GCR reconciliation, for the 12-month period ending March 31, 2016, is reasonable and prudent, in compliance with PA 304 of 1982 ("PA 304"), and should be approved by the Commission.
2. For the period ended March 31, 2016, Presque Isle experienced an under-collection in the amount of \$377,113.
3. Presque Isle's April 1, 2016 Gas Cost Recovery reconciliation beginning balance shall be an under-collection in the amount of \$377,113, which has been included in Presque Isle's GCR plan for the 12-month period ending March 31, 2017 in Case No. U-17945.

4. The parties agree not to appeal, challenge, or contest the rates approved by the Commission in this case if they are the result of a Commission order accepting and approving this Settlement Agreement without modification. If the Commission does not accept this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

5. Presque Isle and Staff jointly recommend that the Commission issue an Order Adopting Settlement Agreement.

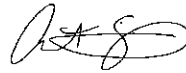
6. This Settlement Agreement has been made for the sole and express purpose of reaching compromise among the positions of the signatory parties without prejudice to their rights to take new and/or different positions in other proceedings. If the Commission approves this settlement agreement without modification, neither the parties to this settlement agreement nor the Commission shall make any reference to or use of the settlement agreement or the order approving it as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in this case or any other cases or proceedings; provided, however, such reference or use may be made to enforce the settlement agreement and order.

7. The parties waive Section 81 of the Administrative Procedures Act of 1969, 1969 PA 306 (MCL 24.281).

8. The stipulations and agreements contained in this Settlement Agreement shall constitute the record needed to support the Commission order in this case as required under Section 6h of 1982 PA 304 (MCL 460.6h).

9. This Settlement Agreement is not severable. Each provision of the Settlement Agreement is dependent upon all other provisions of the Settlement Agreement. Failure to comply with any provision of the Settlement Agreement constitutes failure to comply with the entire Settlement Agreement.

Dated: November 10, 2016



MICHIGAN PUBLIC SERVICE
COMMISSION STAFF
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Dated: November 10, 2016

Jason T.
Hanselman

Digitally signed by: Jason T.
Hanselman
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= Dykema Gossett
Date: 2016.11.10 10:11:26 -05'00'

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